



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF WASHINGTON

IN THE MATTER OF ENFORCEMENT)	PDC CASE NO: 04-422
ACTION AGAINST)	
)	Notice of Administrative
Washington Independent Bankers PAC)	Charges
)	
Respondent.)	
)	

IT IS ALLEGED as follows:

I. JURISDICTION

Jurisdiction of this proceeding is based on Chapter 42.17 RCW, the Public Disclosure Act, Chapter 34.05, Administrative Procedure Act, and Title 390 WAC.

II. LAW

RCW 42.17.020(33) states "Political committee means any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition."

RCW 42.17.080(2) states, in part: "At the following intervals each treasurer shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the committee maintains its office or headquarters...a report containing the information required by RCW 42.17.090: (a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and (b) On the tenth day of the first month after the election...and (c) On the tenth day of

*"The public's right to know of the financing of political campaigns and lobbying
and the financial affairs of elected officials and candidates far outweighs
any right that these matters remain secret and private."*

RCW 42.17.010 (10)



each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars.”

RCW 42.17.080(3) states: “For the period beginning the first day of the fourth month preceding the date on which the special or general election is held and ending on the date of that election, each Monday the treasurer shall file with the commission and the appropriate county elections officer a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds so deposited and the amount contributed by each person. However, contributions of no more than twenty-five dollars in the aggregate from any one person may be deposited without identifying the contributor. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.”

RCW 42.17.090(1) states, in part: “Each report required under RCW 42.17.080(1) and (2) shall disclose the following: (a) The funds on hand at the beginning of the period; (b) The name and address of each person who has made one or more contributions during the period, together with the money value and date of such contributions and the aggregate value of all contributions received from each such person during the campaign or in the case of a continuing political committee, the current calendar year... (d) All other contributions not otherwise listed or exempted ... and (f) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, and the amount, date, and purpose of each such expenditure...”

III. **BACKGROUND**

The Washington Independent Bankers PAC (WIB PAC) is the political committee of the Washington Independent Community Bankers Association (WICBA) a Lakewood, Washington based association of independent community banks. WIB PAC has been registered with the PDC since June 1996. Reports were filed until July 2000 when WIB PAC stopped reporting.

On or around December 30, 2003, Brad Tower, the registered lobbyist for WICBA, contacted PDC staff and asked to schedule a meeting to discuss an apparent lapse in reporting by the association's political committee, WIB PAC. On January 8, 2004, John Collins, Executive Director of WICBA and Treasurer of WIB PAC, and Mr. Tower, came to Olympia and self-reported a lapse in reporting by WIB PAC. As a result of the discussions, it became apparent that WIB PAC had failed to file all reports required by the Public Disclosure Law. It was apparent that WIB PAC had failed to file required reports since August 2000. Mr. Collins acknowledged the lapse in reporting and agreed that enforcement would be appropriate.

Mr. Collins became the executive director of WICBA in September 2000 after the previous executive director departed from the association in June 2000. Mr. Collins said the previous lobbyist for the WICBA, who served as the interim executive director from June until September 2000, also left the association when his lobbying contract was not renewed in November 2000. Mr. Collins said he was not given any training regarding PDC reporting and was not made aware of the importance of filing reports with the PDC on behalf of WIB PAC. Mr. Collins said WICBA has implemented a system to ensure that PDC reports are timely and accurately reported in the future.

On January 16, 2004, Public Disclosure Commission (PDC) Executive Director Vicki Rippie filed a formal complaint against WIB PAC alleging violations of RCW 42.17 for failing to timely file reports of contribution and expenditure activities covering the period August 1, 2000 through November 30, 2003.

IV. **FACTS**

These charges incorporate the Report of Investigation and all of its exhibits by reference.

Failure to timely file Summary Contribution and Expenditure Reports (PDC form C-4) covering contribution and expenditure activities during the period August 1, 2000 through November 30, 2003 (RCW 42.17.080 & RCW 42.17.090).

The Respondent, WIB PAC, is a “political committee” as defined in RCW 42.17.020(33). During the period August 1, 2000 through November 30, 2003, WIB PAC received contributions totaling \$36,066 and made expenditures totaling \$12,575. All of the expenditures were political contributions to state legislative or statewide executive candidates that were reportable under RCW 42.17.080 and 42.17.090 on PDC form C-4. All information about contributions received and expenditures made was reported January 8, 2004. The \$12,575 in WIB PAC contributions included \$9,600 for contributions made during the 2000 election cycle. Because WIB PAC participated in the 2000 general election, C-4 reports were due 21 and 7 days before the November 7, 2000 general election and on the 11th of December following the election. These three C-4 reports were filed over three years late.

During 2001, C-4 reports were due for months in which WIB PAC received contributions or made expenditures that exceeded \$200. WIB PAC failed to timely file six C-4 reports for its 2001 activities. These reports were filed from two to three years late.

During 2002, C-4 reports were due for months in which WIB PAC received contributions or made expenditures that exceeded \$200. However, because WIB PAC became involved late in the 2002 primary election, C-4 reports were due 7 days before the primary election, 21 and 7 days before the general election, and on the 10th of December following the November 5th general election. In addition, a C-4 report was due for July 2002 activities. These five C-4 reports were filed from 13 to 18 months late.

During 2003, C-4 reports were due for months in which WIB PAC received contributions or made expenditures that exceeded \$200. C-4 reports were due in August and October 2003. These C-4 reports were filed from three to five months late. Following is a table showing a summary of WIB PAC activities during the period August 1, 2000 through November 30, 2003.

Year	Contributions Received	Expenditures Made	Contributions to Candidates
8/1-12/31/00	\$ 6,015	\$ 9,600	\$ 9,600
2001	\$ 7,000	\$ 1,600	\$ 1,600
2002	\$ 8,118	\$ 1,375	\$ 1,375
1/1-11/30/03	\$ 14,933	\$ -0-	\$ -0-
Totals	\$ 36,066	\$ 12,575	\$ 12,575

Failure to timely file Campaign Finance Monetary Contribution Reports (PDC form C-3) covering contribution activities during the period August 1, 2000 through November 30, 2003 (RCW 42.17.080 & RCW 42.17.090).

During the period August 1, 2000 through November 30, 2003, WIB PAC received contributions totaling \$36,066. C-3 reports showing contributor details were due in the month following receipt when contributions received or expenditures made exceeded \$200, and weekly during the four months preceding the 2000 and 2002 elections. The \$36,066 in contributions received by WIB PAC was not reported on PDC form C-3 until January 8, 2004 as detailed below.

During 2000, six C-3 reports were due between October 2000 and January 2001. These C-3 reports totaled \$6,015 and were filed over three years late.

During 2001, four C-3 reports totaling \$7,000 were filed over two years late.

During 2002, three C-3 reports totaling \$8,118 were filed from 13 to 18 months late.

During 2003, two C-3 reports totaling \$14,933 were filed 3 to 5 months late.

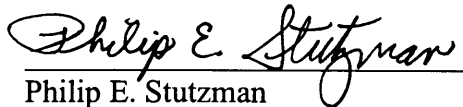
V. CONCLUSION

- WIB PAC was a registered political committee during 2000, 2001, 2002 and 2003. WIB PAC failed to timely file detailed Monetary Contribution Reports (PDC form C-3) as required by RCW 42.17.080 and RCW 42.17.090 during the period August 1, 2000 through November 30, 2003 for contributions totaling \$36,066. The C-3 reports were due in the month following receipt when contributions received or expenditures made exceeded \$200, and weekly during the four months preceding the 2000 and 2002 elections.
- WIB PAC failed to timely file Summary Contribution and Expenditure Reports (PDC form C-4) as required by RCW 42.17.080 and RCW 42.17.090 during the period August 1, 2000 through November 30, 2003 for contributions received totaling \$36,066 and expenditures totaling \$12,575. All \$12,575 in expenditures were for contributions to state legislative or statewide executive candidates that were reportable under RCW 42.17.080 and 42.17.090 on PDC forms C-4. The C-4 reports were due monthly except for special C-4 reports that were due 21 and 7 days before the 2000 and 2002 elections.

Staff alleges, based on the facts specified in Section IV, that WIB PAC has violated RCW 42.17.080 and RCW 42.17.090:

- by failing to timely file Monetary Contributions reports (PDC form C-3) for contributions received between August 1, 2000 and November 30, 2003 totaling \$36,066; and
- by failing to timely file Summary Full Report, Receipts and Expenditures reports (PDC form C-4) disclosing contributions received and expenditures made between August 1, 2000 and November 30, 2003, with all expenditures being contributions totaling \$12,575 made to state legislative or statewide executive candidates.

RESPECTFULLY SUBMITTED this 12th day of February, 2004.


Philip E. Stutzman
Director of Compliance